IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
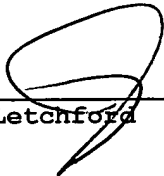
In re Application of: :
Asif Adatia   :
                                       :
Application No.: 09/841,388   :
                                       :   Group Art Unit: 3624
Filed: April 24, 2001   :
                                       :   Examiner: T.T. Havan
For: AUTOMATED SECURITIES TRADE   :
EXECUTION SYSTEM AND METHOD   :
                                       :
Atty. Docket No.: GOL101.10011   :

I, **John F. Letchford**, Registration No. 33,328, certify that this correspondence is being deposited with the U.S. Postal Service as first class mail in an envelope addressed to Mail Stop Appeal Brief – Patents, Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450 on May 11, 2006.

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John F. Letchford

Mail Stop Appeal Brief – Patents
Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Sir:

APPELLANT'S BRIEF PURSUANT TO 37 CFR § 41.37

The above-identified application comes before the United States Patent and Trademark Office ("USPTO") Board of Appeals and Interferences ("Board") from a Final Rejection of claims 1-5, 7-10, 12-15, 17-20, 22 and 23 dated April 10, 2006.

I.   REAL PARTY IN INTEREST

The real party in interest in the present appeal is Goldman, Sachs & Company, a partnership formed under the laws of the State of New York with its principal place of business located at 85 Broad Street, New York, NY 10004, USA (hereinafter "Assignee"), as evidenced by an assignment of the entire right, title and interest in and to the application from the inventor, Asif Adatia, to Assignee, which is recorded in the USPTO at reel 012051 and frame 0386.

II.   RELATED APPEALS AND INTERFERENCES

There are no other appeals or interferences known to Appellant, Assignee or the undersigned which will directly affect or be directly affected by or have a bearing on the Board's decision in the presently pending appeal.

III.   STATUS OF THE CLAIMS

The status of the claims in the application is as follows:

Original claims 6, 11, 16 and 21 have been canceled. Claims 1-5, 7-10, 12-15, 17-20, 22 and 23 remain in the application and are finally rejected.

IV.   STATUS OF AMENDMENTS FILED SUBSEQUENT TO THE FINAL REJECTION

No amendments were filed subsequent to the Final Rejection.

V.   SUMMARY OF THE CLAIMED SUBJECT MATTER

Most broadly, the invention defined in the claims on appeal is addressed to automated securities trade systems and methods.

The claims on appeal include four (4) independent claims, claims 1, 9, 14 and 19.

The automated securities order execution system recited in independent claim 1 on appeal involves (with reference to specification page and line numbers and drawing reference characters, where available, in parentheses):

order entering means for a client to enter an order (specification at page 2, lines 12-18 and page 3, lines 13-14; drawing ref. no. 16);

at least one filtering means for determining whether the order can be automatically executed (specification at page 2, lines 12-18 and page 4, line 25 through page 6, line 21; drawing ref. nos. 22, 30 and 40);

routing means for routing the order to a destination based upon the determination made by each of said at least one filtering means (specification at page 2, lines 12-18);

executing means for automatically executing the order, whereby, if the order cannot be automatically executed, said routing means sends the order to a trader for manual execution (specification at page 2, lines 3-18, page 5, lines 12-32, page 6, lines 9-11, and page 9, lines 3-9; drawing ref. nos. 14 (MANUAL ORDER) and 32 (TRADER)); and

reporting means for reporting the result of the order execution to the client (specification at page 2, lines 12-18 and page 7, lines 3-8; drawing ref. no. 16).

Claims 2-5, 7 and 8 on appeal further enlarge upon the arrangement and operation of the automated securities order execution system of claim 1 to define various features which are believed to be representative of preferred aspects thereof.

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The method for automatically executing a securities trade recited in independent claim 9 on appeal involves (with reference to specification page and line numbers and drawing reference characters, where available, in parentheses):

creating at least one filter (specification at page 2, lines 19-25 and page 7, line 9 through page 11, line 32; drawing ref. nos. 22, 30 and 40);

entering an order for a security by a client (specification at page 2, lines 19-25 and page 3, lines 13-14; drawing ref. no. 16);

applying each of said at least one filter to the order to determine whether the order can be automatically executed (specification at page 2, lines 19-25 and page 4, line 25 through page 6, line 21; drawing ref. nos. 22, 30 and 40);

routing the order to a destination based upon whether the order can be automatically executed (specification at page 2, lines 19-25 and page 5, lines 22-25; drawing ref. no. 32);

automatically executing the order or, if the order cannot be automatically executed, routing the order to a trader for manual execution (specification at page 2, lines 3-18, page 5, lines 12-32, page 6, lines 9-11, and page 9, lines 3-9; drawing ref. nos. 14 (MANUAL ORDER) and 32 (TRADER)); and

reporting the results of the trade to the client (specification at page 2, lines 19-25 and page 7, lines 3-8; drawing ref. no. 16).

Claims 10, 12 and 13 on appeal further enlarge upon the method for automatically executing a securities trade of claim 9 to define various features which are believed to be representative of preferred aspects thereof.

The automated securities order execution system recited in independent claim 14 on appeal involves (with reference to specification page and line numbers and drawing reference characters, where available, in parentheses):

order entering means for a client to enter an order (specification at page 2, lines 12-18 and page 3, lines 13-14; drawing ref. no. 16);

at least one broker filter for determining whether the order can be processed (specification at page 4, line 25 through page 5, line 11; drawing ref. no. 22);

at least one trader filter for determining whether the order can be automatically executed (specification at page 5, lines 12-32; drawing ref. no. 30);

at least one compliance filter for determining whether the order meets the criteria of the market on which the security is traded (specification at page 5, line 33 through page 6, line 21; drawing ref. no. 40);

routing means for routing the order to a destination based upon the determination made by said broker, trader and compliance filters (specification at page 2, lines 12-18);

executing means for automatically executing the order, whereby, if the order cannot be automatically executed, said routing means sends the order to a trader for manual execution (specification at page 2, lines 3-18, page 5, lines 12-32, page 6, lines 9-11, and page 9, lines 3-9; drawing ref. nos. 14 (MANUAL ORDER) and 32 (TRADER)); and

reporting means for reporting the result of the order execution to the client (specification at page 2, lines 12-18 and page 7, lines 3-8; drawing ref. no. 16).

Claims 15, 17 and 18 on appeal further enlarge upon the arrangement and operation of the automated securities order execution system of claim 14 to define various features which are believed to be representative of preferred aspects thereof.

The method for automatically executing a securities trade recited in independent claim 19 on appeal involves (with reference to specification page and line numbers and drawing reference characters, where available, in parentheses):

creating at least one broker filter for determining whether the order can be processed (specification at page 2, lines 19-25 and page 10, line 31 through page 11, line 24; drawing ref. no. 30);

creating at least one trader filter for determining whether the order can be automatically executed (specification at page 2, lines 19-25 and page 7, line 9 through page 10, line 30; drawing ref. no. 22);

creating at least one compliance filter for determining whether the order meets the criteria of the market on which the security is traded (specification at page 2, lines 19-25 and page 5, line 33 through page 6, line 21; drawing ref. no. 40);

entering an order for a security by a client (specification at page 2, lines 19-25 and page 3, lines 13-14; drawing ref. no. 16);

applying each of said at least one broker, trader and compliance filter to the order to determine whether the order can be automatically executed (specification at page 2, lines 19-25 and page 4, line 25 through page 6, line 21; drawing ref. nos. 22, 30 and 40);

routing the order to a destination based upon whether the order can be automatically executed (specification at page 2, lines 12-18);

automatically executing the order or, if the order cannot be automatically executed, routing the order to a trader for manual execution (specification at page 2, lines 3-18, page 5, lines 12-32, page 6, lines 9-11, and page 9, lines 3-9; drawing ref. nos. 14 (MANUAL ORDER) and 32 (TRADER)); and

reporting the results of the trade to the client (specification at page 2, lines 19-25 and page 7, lines 3-8; drawing ref. no. 16).

Claims 20, 22 and 23 on appeal further enlarge upon the method for automatically executing a securities trade of claim 19 to define various features which are believed to be representative of preferred aspects thereof.

The invention claimed in the independent claims on appeal provides various novel automated securities trade systems and methods. The invention enables a trader to set certain rules for trade orders. If an order meets the pre-defined criteria of the rules, then the order is automatically executed without trader intervention. If an order fails to satisfy the criteria, then the trader acts directly on the order; otherwise, all orders are automatically processed, thereby shortening execution time. The system is most effective with small orders which are easily filled. By freeing up some of the trader's time, he or she can concentrate on larger orders that are more difficult to fill.

As will be clearly demonstrated hereinafter, the systems and methods defined in all of the claims on appeal are neither disclosed nor suggested, either expressly or implicitly, by the reference relied upon by the Examiner (discussed below).

VI.   GROUNDS OF OBJECTION/REJECTION TO BE REVIEWED ON APPEAL

A statement of each separate ground of objection or rejection Appellant wishes to be reviewed, including the basis of each ground of rejection is as follows:

(1) Claims 1-5, 7-10, 12-15, 17-20, 22 and 23 stand rejected under 35 U.S.C. § 102(e) as being anticipated by Abdelnur et al. (Published U.S. Patent Application No. 2002/0152152, "Abdelnur").

VII.   ARGUMENT

(1)   Rejection of Claims 1-5, 7-10, 12-15, 17-20, 22 and 23 under 35 U.S.C. § 102(e)

Claim 1-5, 7-10, 12-15, 17-20, 22 and 23 stand rejected under 35 U.S.C. § 102(e) as being anticipated by Abdelnur. Such rejection is respectfully traversed.

For the Board's convenience, independent claim 1 on appeal is reproduced herebelow, with emphasis added.

1.   An automated securities order execution system, comprising:

order entering means for a client to enter an order;

at least one filtering means for determining whether the order can be automatically executed;

routing means for routing the order to a destination based upon the determination made by each of said at least one filtering means;

executing means for automatically executing the order, whereby, if the order cannot be automatically executed, said routing means sends the order to a trader for manual execution; and

reporting means for reporting the result of the order execution to the client.

With due regard, Abdelnur simply does not disclose the securities order executing means set forth in claim 1 on appeal or the corresponding executing means and functionalities recited in independent claims 9, 14 an 19. That is, Abdelnur does not disclose or suggest a securities order executing means wherein, in the event the order cannot be automatically executed by the executing means, the routing means sends the order to a trader for manual execution. In Appellant's system, the trader thus completes the trade if the trade cannot be automatically executed. In the Abdelnur system, the negotiation unit 118 actually prevents this result when a trade cannot be automatically executed. More particularly, in the Abdelnur system, an order which cannot be automatically executed is sent to negotiation unit 118 at which further negotiation between the parties may be required before the trade is executed. In complete contrast, in Appellant's claimed systems and methods, the parties to the trade never engage in negotiation or are otherwise involved in any way in the trade execution process. Paragraphs 0021 and 0022 of Abdelnur upon which the Examiner relies to support his position are reproduced below (with emphasis added). The passages speak for themselves.

[0021] The messaging bus 108 logically passes message between the various processes connected to it. For example, a Java Messaging Service (JMS) compliant application may be used in some applications as the messaging bus 108. In particular, the messaging bus 108 is connected to a <u>negotiation unit 118</u>, a ticket 120, a reporting unit 122, and a settlement unit 124. The settlement unit 124 is connected to a financial unit 126 and a logistics unit 128. After an order has been matched into final transaction, e.g., a buyer and seller have agreed to the initial terms, various functionality can be desired to continue with the regular process of settlement and closing of the transaction. As will be appreciated, appropriate user interfaces and functionality can be provided to provide these services in the negotiation unit 118, ticketing unit 120, reporting unit 122, and settlement, financial and logistic units 124, 126, and 128.

[0022] The messaging bus 108 is further connected to a notification unit 130. As explained herein, the notification unit may be used by a market maker to notify market participants of order matches <u>which may require further negotiation between the parties before a trade takes place</u>.

For the foregoing reasons, Appellant submits that Abdelnur fails to anticipate the presently claimed invention. Indeed, Abdelnur leads one of ordinary skill in the art directly away therefrom. Accordingly, Appellant kindly submits that the outstanding rejection of claim 1-5, 7-10, 12-15, 17-20, 22 and 23 under 35 U.S.C. 102(e) as being anticipated by Abdelnur is improper and should be reversed.

To conclude, the teachings of the prior art cited against the claims on appeal must be fairly and accurately interpreted for what it in fact discloses and/or suggests. Abdelnur, when so interpreted, does not disclose or suggest Appellant's claimed invention. Therefore, the invention as a whole would not have

been considered obvious to one skilled in this art at the time of Appellant's invention. Accordingly, it is respectfully submitted that the Final Rejection of claims 1-5, 7-10, 12-15, 17-20, 22 and 23 should be reversed.

Respectfully submitted,

ASIF ADATIA

Date: May 11, 2006

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John F. Letchford
Registration No. 33,328

Archer & Greiner
A Professional Corporation
One Centennial Square
P.O. Box 3000
Haddonfield, NJ 08033-0968
Tel.:(856) 354-3013
Fax: (856) 795-0574
E-mail: jletchford@archerlaw.com

VIII. APPENDIX

The claims on appeal are as follows:

1. An automated securities order execution system, comprising:

order entering means for a client to enter an order;

at least one filtering means for determining whether the order can be automatically executed;

routing means for routing the order to a destination based upon the determination made by each of said at least one filtering means;

executing means for automatically executing the order, whereby, if the order cannot be automatically executed, said routing means sends the order to a trader for manual execution; and

reporting means for reporting the result of the order execution to the client.

2. An automated securities order execution system according to Claim 1, wherein said at least one filtering means includes

first filtering means for determining whether the order contains sufficient information to be executed.

3. An automated securities order execution system according to Claim 2, wherein said at least one filtering means further includes

second filtering means for determining whether the order can be automatically executed.

4.   An automated securities order execution system according to Claim 3, wherein said at least one filtering means further includes

third filtering means for determining whether an order to be automatically executed meets the criteria of the market on which the security is traded.

5.   An automated securities order execution system according to Claim 3, wherein said second filtering means includes at least one filter to be applied to the order, each of said at least one filter including a plurality of criteria that can be set by a user of the system.

7.   An automated securities order execution system according to Claim 1, wherein said executing means sends the order to an exchange to be automatically executed.

8.   An automated securities order execution system according to Claim 1, wherein said executing means fills the order from inventory.

9.   A method for automatically executing a securities trade, comprising the steps of:

creating at least one filter;

entering an order for a security by a client;

applying each of said at least one filter to the order to determine whether the order can be automatically executed;

routing the order to a destination based upon whether the order can be automatically executed;

automatically executing the order or, if the order cannot
be automatically executed, routing the order to a trader for
manual execution; and

reporting the results of the trade to the client.

10. The method of Claim 9, wherein the creating step includes
defining a plurality of criteria for each filter.

12. The method of Claim 9, wherein the executing step includes
sending the order to an exchange to be automatically executed.

13. The method of Claim 9, wherein the executing step includes
filling the order from inventory.

14. An automated securities order execution system, comprising:

order entering means for a client to enter an order;

at least one broker filter for determining whether the
order can be processed;

at least one trader filter for determining whether the
order can be automatically executed;

at least one compliance filter for determining whether the
order meets the criteria of the market on which the security is
traded;

routing means for routing the order to a destination based
upon the determination made by said broker, trader and
compliance filters;

executing means for automatically executing the order,
whereby, if the order cannot be automatically executed, said
routing means sends the order to a trader for manual execution;
and

reporting means for reporting the result of the order execution to the client.

15. An automated securities order execution system according to Claim 14, wherein each said at least one trader filter includes a plurality of criteria that can be set by a user of the system.

17. An automated securities order execution system according to Claim 14, wherein said executing means sends the order to an exchange to be automatically executed.

18. An automated securities order execution system according to Claim 14, wherein said executing means fills the order from inventory.

19. A method for automatically executing a securities trade, comprising the steps of:

creating at least one broker filter for determining whether the order can be processed;

creating at least one trader filter for determining whether the order can be automatically executed;

creating at least one compliance filter for determining whether the order meets the criteria of the market on which the security is traded;

entering an order for a security by a client;

applying each of said at least one broker, trader and compliance filter to the order to determine whether the order can be automatically executed;

routing the order to a destination based upon whether the order can be automatically executed;

automatically executing the order or, if the order cannot be automatically executed, routing the order to a trader for manual execution; and

reporting the results of the trade to the client.

20. The method of Claim 19, wherein the creating step includes defining a plurality of criteria for each of said at least one broker, trader and compliance filter.

22. The method of Claim 19, wherein the executing step includes sending the order to an exchange to be automatically executed.

23. The method of Claim 19, wherein the executing step includes filling the order from inventory.

IX. <u>EVIDENCE APPENDIX</u>

NONE.

X.   RELATED PROCEEDINGS APPENDIX

        NONE.